

Property Tax Rates and Selected User Fees
For Major North Carolina Cities March 2005

In order to effectively compare the cost of services provided, the City of Greensboro periodically compares its tax rate and major service fees to those charged in other cities in North Carolina. It is important to include these fees as well as the property tax rate due to the increasing practice of charging fees to provide major services. Examples of these fees include water and sewer rates, solid waste and recycling fees, storm water fees and motor vehicle license fees.

To accurately compare property tax rates, the effective tax rate must be used. The effective property tax rate is calculated by multiplying the sales assessment ratio by the current property tax rate. The sales assessment ratio is defined as the percentage of market value represented by the current property tax rate and is calculated by the State of North Carolina for each county. This allows for comparative tax rates even though revaluation of property occurs at different times among counties.

Current effective property tax rates, average residential water and sewer bills, solid waste and recycling fees, storm water fees, and motor vehicle license fees were compared in the following North Carolina cities:

Charlotte, Durham, Greensboro, Raleigh and Winston-Salem

In order to make an effective comparison the cost to a homeowner of a \$150,000 home and two vehicles is used. Annual costs of taxes (both existing rate and effective rate) and these selected fees for such a homeowner are shown below:

City	Existing Tax Rate/Fees	Effective Tax Rate/Fees
Durham	\$1,412	\$1,352
Greensboro	\$1,316	\$1,311
Charlotte	\$1,183	\$1,157
Winston-Salem	\$1,120	\$1,069
Raleigh	\$1,047	\$993

As shown above, the comparable cost to a homeowner of a \$150,000 residence and two vehicles varies by approximately \$385 among the five cities. Greensboro's cost ranks the second highest of the five cities using both the existing and effective tax rates. Greensboro's annual cost of effective taxes and these selected fees is \$318 more than in Raleigh, \$242 more than in Winston-Salem and \$154 more than in Charlotte. Durham costs are \$41 higher than Greensboro.

It is important to note here that the City of Greensboro is the only city that operates and funds a public library system; this is a county function in the other cities. The operating and debt service costs of the Greensboro library system represent 3.7 cents of the tax rate. If library costs are excluded, the Greensboro existing tax rate would be .5305 and the effective tax rate would be .5268.

Therefore, if the library system costs are excluded from the Greensboro property tax rate, the existing cost for a \$150,000 house in the comparative table above would be \$1,261 and

the effective cost would be \$1,255. This would still place Greensboro as the second highest for both existing and effective costs, but only \$98 more than Charlotte in effective costs.

Specific data for each city can be found in the table below and annual costs are also graphically shown for each city.

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FEE	CHARLOTTE	DURHAM	GREENSBORO	RALEIGH	WINSTON-SALEM
Current Property Tax Rate	.4200	.5830	.5675	.3950	.5250
Current Sales Assessment Ratio	95.80%	93.11%	99.35%	90.93%	93.58%
Effective Property Tax Rate(1)	.4024	.5428	.5638(2)	.3592	.4913
Average Monthly Residential Water/Sewer Bill(3)	\$32.90	\$38.66	\$34.37	\$24.37	\$21.93
Monthly Solid Waste and Recycling Fee	\$3.75	\$0	\$0	\$7.00	\$0
Monthly Storm Water Fee	\$4.47	\$4.50(4)	\$2.70(5)	\$4.00	\$4.08
Annual Motor Vehicle License Fee	\$30	\$10	\$10	\$15	\$10

(1)The effective property tax rate is calculated by multiplying the sales assessment ratio by the current property tax rate. The sales assessment ratio is defined as the percentage of market value represented by the current property tax rate and is calculated by the State of North Carolina for each county. This allows for comparative tax rates even though revaluation of property occurs at different times among counties.

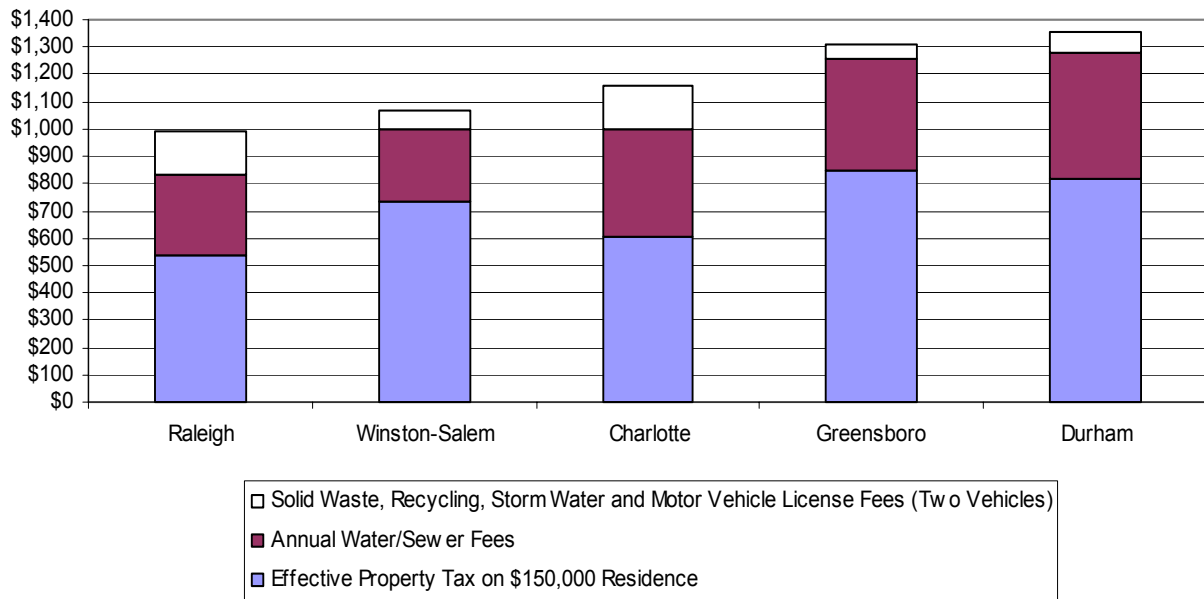
(2)Includes operation of a public library system. Other cities do not fund this service.

(3)All average monthly residential water/sewer information from City of Greensboro Water Resources Survey, January 2005.

(4)In Durham the monthly storm water fee is 4.50 for residential units at or above 2,000 square feet.

(5)In Greensboro the monthly storm water fee is \$2.70 for units from 2000-2899 square feet and \$3.90 for units over 2900 square feet.

Annual Effective Property Taxes and Selected Fees In Major North Carolina Cities - March 2005



If the relevant current county taxes were included along with the current city taxes, total taxes on a \$150,000 home would result in a home in Greensboro falling in the middle of the group of cities. Durham would be the highest at \$2,060; Winston-Salem at \$1,850; Greensboro at \$1,779; Charlotte at \$1,765; and Raleigh at \$1,499.

The following table provides specific tax data on each city and county.

City/County	04-05 City Tax Rate	04-05 County Tax Rate	04-05 Total Tax Rate	Taxes on \$150,000 Home
Durham/Durham	.5830	.7900	1.3730	\$2,060
Winston-Salem/Forsyth	.5250	.7080	1.2330	\$1,850
Greensboro/Guilford	.5675	.6184	1.1859	\$1,779
Charlotte/Mecklenburg	.4200	.7567	1.1767	\$1,765
Raleigh/Wake	.3950	.6040	.9990	\$1,499